



The Weekly Observer

December 16-20

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

Trump Signals for Summit with Ishiba Next Month

Yomiuri reported Thursday that U.S. President-elect Donald J. Trump informed the GOJ that he is **open to meeting Prime Minister Ishiba Shigeru in the United States before his inauguration on January 20.**

This comes after Trump told reporters on Monday that he would be willing to meet Ishiba if he wants to. **Special Advisor to the Prime Minister Nagashima Akihisa**, who visited Washington in November, told *Jiji* previously that the earliest possible date would be **February.**

Chief Cabinet Secretary Hayashi Yoshimasa said Tuesday that the **GOJ welcomes Trump's remarks** indicating Japan's importance to the incoming administration. Trump also announced that he would nominate **former Ambassador to Portugal George Glass** — a fierce anti-China hawk and Trump donor — as the **next ambassador to Japan.**

The GOJ **failed to set up a meeting** between the leaders in November.

Ruling Parties Approve FY 2025 Tax System Reform Plan

On Friday, the ruling parties approved the **FY 2025 tax system reform plan**, which will be submitted to next year's ordinary Diet session as legislation.

The plan includes revisions to the **income tax exemption threshold and the specified dependents deduction.** The former has been a **point of contention** between the ruling parties and the **Democratic Party for the People (DPFP)** — the opposition party that holds the casting vote in the Lower House.

The **party walked out of talks** on Tuesday after the ruling parties **refused to meet its demand to raise the threshold** from ¥1.03 million to ¥1.78 million, instead proposing ¥1.23 million.

The **secretary generals** of the three parties signed a document on Friday **agreeing to continue talks**, but it remains to be seen whether an agreement will be reached. This puts **passage of the plan in jeopardy.**

Cabinet Approval



39% (-4 pts.)

48% (+6 pts.)

[*Yomiuri Shimbun*](#) (Dec. 16)

State of the Economy

Trade Balance (Nov.):

¥117.6 billion deficit
5th consecutive month in deficit, though rate decreased 85.5% from Nov. 2023

GDP Gap (July-Sept.):

-0.4% (¥2 trillion demand deficit)
5th consecutive quarter shortage

Household Financial Assets (July-Sept.):

¥2,179 trillion (-1.5%)
First decline in 8 quarters

Machinery Orders (Oct.):

¥869.8 billion (+2.1%)
First increase in 4 months